# Message Text

UNCLASSIFIED

PAGE 01 STATE 132051 ORIGIN EA-12

INFO OCT-01 EUR-12 ISO-00 ICA-20 SIG-03 MMO-04 PA-02 /054 R

DRAFTED BY EA/P:STAFF:VDC APPROVED BY EA/P:J CANNON DESIRED DISTRIBUTION ICA/EA:M SMITH

-----103537 241928Z /53

R 241734Z MAY 78
FM SECSTATE WASHDC
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMEMBASSY MOSCOW
AMEMBASSY PARIS
INFO CINCPAC HONOLULU HAWAII 0000
COAST GUARD WASHDC 0000
GOVGUAM 0000
TREASURY DEPARTMENT WASHDC 0000

UNCLAS STATE 132051

ATTN PARIS FOR JACK MARESCA

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: MAY 24 EA PRESS SUMMARY

## 1. BRZEZINSKI TRIP

IN TOKYO 5/23, BRZEZINSKI TOLD FUKUDA US INTENDS STRENGTHEN RELATIONSHIP W/PRC/BRIEFED PM, OTHER JAPANESE OFFICIALS FOR HOUR ON CHINA VISIT. ACCORDING AMEMB SPOKESMAN, BRZEZINSKI DESCRIBED DISCUSSIONS W/CHINESE LEADERS AS "USEFUL, IMPORTANT AND CONSTRUCTIVE"/REAFFIRMED US UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 132051

INTENTION PURSUE NORMALI, ATION IN LINE W/SHANGHAI COMMUNIQUE (WP; REUTER TOKYO 5/23).

SCOTT-STOKES (NYT TOKYO) REPORTS BRZEZINSKI TOLD JAPANESE CHINA WANTS PEACE TREATY W/JAPAN. ACCORDING JAPANESE OFFICIALS, BRZEZINSKI TOLD FUKUDA HE HAD IMPRESSION PRC WOULD NOT TAKE UP DISPUTED ISLAND ISSUE

IN TREATY NEGOTS, THO SUCH ASSURANCES ,EPORTEDLY DOUBTED BY JAPANESE LEADERS.

BRZEZINSKI ARRIVED SEOUL 5/24/EXPECTED BRIEF ROKG LEADERS ON TALKS W/CHINESE, ALSO DISCUSS BILAT MATTERS (REUTER SEOUL).

#### 2. CHINA

LAT (5/23) ITEM REPORTS PRCLO'S HAN HSU'S VISIT LAST WKEND TO SPRINGFIELD, ILL. HAN RECITED LINCOLN'S GETTYSBURG ADDRESS, TOURED "OLD STATE CAPITOL"; ALSO MADE HIS 1ST PUBLIC SPEECH TO US AUDIENCE AT ILLINOIS COLLEGE (JACKSONVILLE) COMMENCEMENT EXERCISES, "ACTED LIKE US POLITICIAN," SHOOK HANDS W/LOCAL OFFICIALS, "SEEMED TO ENJOY HIS CAPITALISTIC CONTACTS"; SAID THIS SPEECH WILL NOT BE HIS LAST IN US.

NYT'S KNEELAND NOTES HAN HSU, W/SPRINGFIELD TRIP, BECAME FIRST PEKING DIPLO SINCE PRCLO WAS ESTABLISHED TO VENTURE INTO COUNTRYSIDE FOR CASUAL/FACE-TO-FACE MTGS. SAYS HAN YIELDED TO ENTREATIES OF REP FINDLEY TO COME OUT/MEET PEOPLE IN HIS 20TH CONGRESSIONAL DISTRICT. NOTES HAN, ACCOMPANIED BY AIDE HSU SHANG WEI AND BOTH THEIR WIVES, SMILED, SHOOK HANDS, MADE SMALL TALK THRU COLLEGE COMMENCEMENT, HOLIDAY INN BREAKFAST GIVEN BY JACKSONVILLE MAYOR, UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 132051

ROTARY CLUB MTG AND TOURS OF EVERY MAJOR LINCOLN HISTORIC SITE IN AREA

KNEELAND REPORTS FINDLEY WAS PLEASED AT WARMTH EXUDED BY BOTH SIDES, REMARKED W/SOME AMAZEMENT ON CHANGES TIME HAD WROUGHT, PERMITTING HIM DRIVE ABOUT CONSERVATIVE DISTRICT IN STATION WAGON FILLED W/CHINESE COMMUNISTS AND DECORATED W/HIS CAMPAIGN SIGNS. FINDLEY OBSERVED THAT RURAL ILLINOIS TODAY VALUES ANY PROSPECTS FOR GRAIN TRADE, SEES PRC AS GREAT PROSPECT.

AT ROTARY MTG, FINDLEY AND HIS SLIDE SHOW ON HIS LATEST PRC TRIP (AS PART OF 18-MEMBER ILL AGRIC DEL) WERE INTRODUCED. HAN TERMED FINDLEY "VERY OUTSTANDING CONGRESS-MAN" WHO'S "TRYING TO ENHANCE THE UNDERSTANDING BETWEEN OUR TWO PEOPLES." HAN ADDED THAT CHINESE ARE "LOOKING FORWARD ON THE QUESTION OF NORMALIZATION OF RELATIONS," BUT THAT PEKING "BROOKS NO INTERFERENCE" ON TAIWAN ISSUE.

KNEELAND REPORTS THAT ALTHO COLLEGE OFFICIALS ACKNOWLEDGED THERE HAD BEEN SOME GRUMBLING AMONG ALUMNI/TOWNSPEOPLE ABOUT INVITING COMMUNIST TO ADDRESS GRADUATING CLASS, COMMENCE-

MENT CROWD OF ABOUT 1,000 WELCOMED HAN IN APPARENT GOOD SPIRITS. WHILE HAN REPEATED DESIRE TO KEEP IN TOUCH W/US PUBLIC, HSU QUICKLY INTERJECTED THAT HAN "IS VERY BUSY...HE CAN'T ACCEPT TOO MANY INVITATIONS LIKE THIS."

### 3. CHINA/JAPAN

FUKUDA RECEIVED ENDORSEMENT 5/24 FROM LDP'S 2 FOREIGN AFFAIRS CMTES TO RESUME TALKS W/PRC ON PEACE/FRIENDSHIP TREATY. PM INTENDS PROPOSE TO PEKING NEXT WK THAT TALKS BE RESUMED (REUTER TOKYO).

NCNA REPORTS AGREEMENT ON BUILDING PAOSHAN GENERAL IRON/STEEL WORKS IN SHANGHAI AND TECHNICAL COOPERATION CON-UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 132051

TRACT WERE SIGNED 5/23 BETWN CHINA NATIONAL TECHNICAL IMPORT CORP AND NIPPON STEEL CORP (UPI, JOC).

#### 4. JAPAN

REUTER'S FOLEY (NARITA 5/23) DOES FOLLOW-UP PIECE ON AIR-PORT, WHICH REPORTED OPERATING FULL-SCALE DESPITE RUMORS THAT FACILITY RUNNING SHORT OF FUEL. AIRPORT SOURCES SAY FUEL SHIPMENT NEEDED W/IN NEXT 3-4 DAYS IN ORDER KEEP OPERATING, BUT RR EMPLOYEES SAID THEY WILL NOT MAN TRAINS UNTIL FACILITY'S SAFETY MEASURES IMPROVED.

NATL STEEL CORP TOLD REPORTERS IN NY 5/23 INDUSTRY BECOMING INCREASINGLY SKEPTICAL THAT USG'S PROGRAM HOLD DOWN STEEL IMPORTS WILL WORK/PROMISED PUSH FOR NEW LEGISLATION INVOLVING QUICKER/HEAVIER PENALTIES ON COUNTRIES FOUND DUMPING STEEL IN US. KAISER STEEL CORP SAYS TRIGGER PRICES DOING LITTLE KEEP JAPANESE STEEL OUT OF WEST COAST MARKETS BECAUSE TRIGGER PRICES TOO LOW (ROWE, WP).

STUART (NYT) REPORTS LAST MONTH'S SALES DECLINE FOR FON CARS--ESPECIALLY JAPANESE--SEEN AS 1ST TENTATIVE SIGN IMPORT BOOM FLAGGING DUE HIGHER PRICES. NOTES JAPAN'S MAJOR AUTO MFRS PESSIMISTIC ABOUT EXPORT PROSPECTS/POINT TO SUCCESSION OF PRICE INCREASES--BROUGHT ABOUT BY RISING YEN VALUE AGAINST DOLLAR-WHICH HAVE CAUSED SALES DECLINE. MFRS FURTHER CITE GOJ'S IMPOSITION QUOTAS ON AUTO EXPORTS TO US.

GOJ/BANK OF JAPAN EXPECTED SOON TO REDUCE RESERVE REQUIREMENT BANKS MUST SET ASIDE ON YEN DEPOSITS BY NONRESIDENTS TO 50 PCT FROM PRESENT 100 PCT (WSJ). UNCLASSIFIED

#### UNCLASSIFIED

PAGE 05 STATE 132051

NEW ROUND JAPAN/USSR/US TALKS ON MULTI-BILDOL YATUTSK NATURAL GAS PROJECT RESUMED IN TOKYO TUES. US/JAPAN HAVE LONG INDICATED DESIRE FINANCE DEVELOPMENT IN RETURN FOR PAYMENT IN FORM OF NATURAL GAS OVER NEXT 25 YRS (JOC).

#### 5. KOREA

HIRC DEBATED BUT TOOK NO SUBSTANTIVE VOTES TUES ON COMPETING RESOLUTIONS RE SK AID/INFLUENCEBUYING PROBE. REP HAMILTON (D-IND) SPOKE IN FAVOR OF WRIGHT RESOLUTION WHICH WOULD CUT NONMILITARY AID TO SK IF ROKG CONTINUES REFUSE PROVIDE KIM DONG JO TESTIMONY. CMTE CHRMN ZABLOCKI (D-WIS) OFFERED WEAKER VERSION OF RESOLUTION, DOING SO, HE SAID, TO MEET DOS OBJECTIONS THAT CONGRESS USING COERCION AGAINST DIPLOMAT W/IMMUNITY (WP).

UPI (NYT)/AP'S ADAMS (PHINQ)/REUTER'S DE SILVA (5/23) ALL CITE SOURCES CLOSE TO HOUSE INFLUENCE-BUYING PROBE WHICH SAY INVESTIGATORS HAVE ADDITIONAL INFO INDICATING KIM DONG JO MADE PAYMENTS TO "AS MANY AS 10 SITTING MEMBERS" OF CONGRESS. "MANY DIFFERENT SOURCES" SAID TO HAVE PROVIDED INFO, WHICH IN SOME CASES VERY CIRCUMSTANTIAL/IN OTHER CASES VERY DIRECT. NO SPECIFICS PROVIDED.

CHITRIB'S FULLER CITES CONGRESSIONAL BUDGET OFFICE REPORT-RELEASED TUES-WHICH SAYS RE-EQUIPPING US INFANTRY DIVISION SCHEDULED LEAVE SK COULD COST MUCH AS 2.3 BIL DOLS. STUDY CONCLUDED THAT ONLY BY ELIMINATING 2ND DIVISION ENTIRELY WOULD W/DRAWAL SAVE MONEY.

6. AUSTRALIA UNCLASSIFIED

UNCLASSIFIED

PAGE 06 STATE 132051

JOC'S STOVE (SYDNEY) REPORTS UPCOMING AUSTRALIA-EC MTG IN BRUSSELS EXPECTED BE MORE CONFRONTATION THAN DISCUSSION. NOTES AT HEART OF TRADE DISPUTE IS CLOSED DOOR WHICH EC PRESENTS TO AUSTRALIA'S AGRIC PRODUCTION. FACT FORCES TRADE IMBALANCE IN FAVOR EC/DAMAGES MANY RURAL INDUSTRIES IN AUSTRALIA.

#### 7. VIETNAM

ROMANIAN PRES CEAUSESCU ARRIVED HANOI 5/23 AS VIET PAPERS CARRIED FRONT-PG EDITS WELCOMING HIM. VNA SAID PRES WELCOMED BY VIET COMMUNIST PARTY/GOVT OFFICIALS. CEAUSESCU ALSO DUE VISIT LAOS/CAMBODIA (REUTER HK, 5/23).

#### 8. REFUGEES

US CONTAINER SHIP HAS RESCUED 58 VIET REFUGEES FROM

LEAKING BOAT IN S CHINA SEA, ACCORDING AMEMB SINGAPORE SPOKESMAN, WHO ALSO ADDED USG WOULD CONSIDER SYMPATHETICALLY ANY REFUGEE APPLICATION FOR RESETTLEMENT IN US (REUTER SINGAPORE).

#### 9. INDONESIA

INTL BANKING GROUP--INCL US/WB/IMF/ADB--HAS GRANTED INDONESIA 2.5-BIL-DOLS AID TO FINANCE DEVELOPMENT PROJECTS OVER NEXT YR. US CONTRIBUTED 185.6 MIL DOLS (WSJ).

COMMENT AND ANALYSIS UNCLASSIFIED

UNCLASSIFIED

PAGE 07 STATE 132051

## 10. VIETNAM

DICKEY (WP) NOTES DIPLO CABLES HELD AS EVIDENCE IN HUMPHREY/TRUONG TRIAL MADE PUBLIC. SAYS WHILE THEY DO CONTAIN SOME SERIOUS DIPLOMATIC ASSESSMENTS, MOST CONTAIN INSIGNIFICANT DATA. CITES SEVERAL EXAMPLES OF LATTER CATEGORY. REMARKS DOS INSISTS THAT IN COMBINATION W/OTHER BITS/PIECES OF INFO, AND BECAUSE CABLES NAME SO MANY CONFIDENTIAL SOURCES, THEY COULD BRING SERIOUS DAMAGE TO US FONPOL GOALS. QUOTES EA'S OAKLEY THAT WHILE DOS THOUGHT AT FIRST POTENTIAL DAMAGE FROM CABLES WOULD BE "MINOR," IT WAS ALWAYS THOUGHT "LONG-TERM DAMAGE COULD BE CONSIDERABLE."

## 11. KOREA

WP EDIT SEES CONTEST BETW CONGRESS/SK OVER KIM DONG JO TESTIMONY AS "EXERCISE IN MUTUAL FACE-SAVING." STATES US SHOULD NOT EXPECT ANOTHER COUNTRY YIELD ITS DIPLOMATIC PROTECTIONS, NOR SHOULD US SET PRECEDENT THAT COULD EXPOSE ITS OWN ENVOYS. HOWEVER, URGES

ROKG ACCEPT RESOLUTION W/LANGUAGE DESIGNED ENABLE SK RESPOND POSITIVELY, W/O UNACCEPTABLE LOSS OF PRESTIGE. OPINES THAT IF ALLEGATIONS AGAINST KIM UNFOUNDED, HIS INCONVENIENCE IN TESTIFYING SHOULD BE SLIGHT; IF CHARGES TRUE, IT'S WORTH KOREA'S LONG-TERM WHILE TO ENSURE SMOOTH SK-US RELS RESTORED.

MCGRORY (SUN, GLOBE) REVIEWS CONFLICT BETW DEP SEC CHRISTOPHER/JAWORSKI IN HILL TESTIMONY OVER OBTAINING KIM DONG JO'S TESTIMONY. CONCLUDES CHRISTOPHER--IN PRESSING CONGRESS NOT PRESSURE SK FOR TESTIMONY--HAS PROVIDED "ESCAPE ROUTE" FOR CONGRESSMEN. BELIEVES CONGRESS "SICK OF HEARING ABOUT ITS SINS"/HAS NO INTENTION OF AGREEING TO JAWORSKI'S CALL FOR TOUGH UNCLASSIFIED

UNCLASSIFIED

PAGE 08 STATE 132051

STAND AGAINST ROKG IN ORDER SECURE KIM'S TESTIMONY.

#### 12. ASEAN

IN 1ST OF SERIES ON ASEAN TRADE FAIR, JOC'S AMERMAN (MANILA) STATES ASEAN "APPEARS TO BE COMING OF AGE." FINDS TRANSITION FROM LOOSELY-KNIT ALLIANCE INTO SIGNIFICANT ECON BLOC--WHILE BY NO MEANS COMPLETED--HAS PROGRESSED SIGNIFICANTLY, W/GREATER CONSENSUS AMONG MEMBER NATIONS ON DIRECTION WHICH ASEAN MUST MOVE.

## 13. BRZEZINSKI TRIP/CHINA

NYT'S BUTTERFIELD (HK) SAYS BRZEZINSKI SEEMS TO HAVE SCORED SUCCESS W/CHINESE COMPARED TO VANCE, WHOSE VISIT LAST SUMMER DESCRIBED BY TENG AS STEP BACKWARD. BUT BUTTERFIELD CITES TOAST BY FONMIN HUANG CALLING TALKS "FRANK AND SERIOUS"--"EUPHEMISM FOR DISAGREEMENT"--AS EVIDENCE NO REAL PROGRESS MADE ON NORMALIZATION. BUTTERFIELD SAYS HARD CHOICES ON CHINA STILL TO BE MADE AND ASKS WHETHER, AFTER LONG HILL FIGHT FOR PANAMA CANAL PACT, CARTER ADMIN CAN AFFORD ANOTHER ON TAIWAN.

CSM'S MORITZ (HK) QUOTES ANALYSTS IN HK THAT ONE RESULT OF BRZEZINSKI TRIP IS THAT WAY NOW OPEN FOR CARTER PRC VISIT. MORITZ ADDS THAT DESPITE DOS DENIALS, ZBIG TRIP APPEARS PART OF DECISION BY CARTER ADMIN TO SPEED PACE OF NORMALIZATION. SPECULATES THAT WARM WELCOME GIVEN BRZEZINSKI IN CONTRAST TO ONE GIVEN VANCE IS INDICATION PRC IS CONVINCED US NOW MORE INTERESTED IN ESTABLISHING DIPLO TIES. CITES BUILD UP GIVEN TRIP IN HK'S LEFTIST PAPERS. UNCLASSIFIED

#### UNCLASSIFIED

PAGE 09 STATE 132051

QUOTES BRZEZINSKI STATEMENT THAT US "HAS MADE UP ITS MIND ON THIS ISSUE."

MORITZ SAYS WH KNOWN TO BE CONTEMPLATING NEW CHINA INITIATIVE AFTER CONGRESSIONAL ELECTIONS IN NOV. SAYS DOS MAKING CONTINGENCY PLANS FOR AMB IN PEKING BY END OF '79. ALSO NOTES THAT CARTER VISIT, COUPLED W/ANTI-SOVIET REMARKS MADE BY BRZEZINSKI ON TRIP, WOULD BE WAY OF WARNING USSR THAT CONTINUED INTERVENTION IN AFRICA COULD BEING ON US-CHINA ANTI-SOVIET ALLIANCE.

CSM EDIT SAYS THAT THO ZBIG VISIT DOES NOT SEEM TO HAVE CRACKED OPEN PROBLEM OF NORMALIZATION, TRIP IMPORTANT BECAUSE IT SHOWS IMPORTANCE CARTER ADMIN PLACES ON RELS W/PRC, ESPECIALLY AT TIME WHEN US HAVING DIFFICULTIES W/RUSSIA. SAYS PEKING AS WELL AS US WILL HAVE MAKE COMPROMISES ON TAIWAN. CONCLUDES ADMIN'S TASK IS TO KEEP SINO-US

RELATIONSHIP MOVING IN RIGHT DIRECTION, TOWARD INEVITABILITY OF NORMALIZATION.

ISAACS (SUN, HK) BELIEVES ZBIG VISIT HAS LEFT US-CHINA RELS WARMER THAN IN MANY MONTHS. ALSO COMPARES MORE FAVORABLE ATMOSPHERE ON BRZEZINSKI DEPARTURE W/VANCE VISIT, CITING TENG'S DESCRIPTION OF LATTER AS SETBACK. THINKS IT DOUBTFUL THAT ZBIG GAVE ANY FURTHER GROUND ON NORMALIZATION, BUT THAT HE TOLD CHINESE WHAT THEY WANTED HEAR ON OTHER ISSUES W/"UNDIPLOMATIC BLUNTNESS." NOTES SYMBOLISM OF TIMING OF TRIP TO COINCIDE W/INAUGURATION OF CCK IN TAIPEI. CONCLUDES THAT FAILURE TO SETTLE DIFFERENCES ON NORMALIZATION NOT AS IMPORTANT TO CHINESE FON POLICY AS JOINT ANTI-SOVIET STAND. CALLS BRZEZINSKI'S COMMENTS PERHAPS MORE TO LIKING OF CHINESE THAN THEY COULD HAVE EXPECTED.

WP'S MATHEWS SAYS PEKING FAILED TO SIGNAL PUBLICLY ANY UNCLASSIFIED

UNCLASSIFIED

PAGE 10 STATE 132051

SIGNIFICANT CHANGE IN POLICY TOWARD US DURING VISIT.
CALLS PRC WORDS/ACTIONS ALMOST IDENTICAL W/THOSE DURING
VANCE TRIP, THO ADDS THAT THEY SEEM PLEASED BY ZBIG'S
ANTI-SOVIET REMARKS OPPOSING "GLOBAL OR REGIONAL
HEGEMONY"/MORE CONFIDENT OF US COMMITMENT TO IMPROVED
RELS. BUT MATHEWS WARNS THAT WHATEVER GAINS BRZEZINSKI
MAY HAVE MADE COULD STILL BE BLOWN AWAY BY "KIND OF CARE-

LESS POST-VISIT ASSESSMENTS THAT IRKED THE CHINESE AFTER VANCE'S TRIP." SAYS DESPITE VANCE'S EFFORTS TO GIVE REPORTERS NEUTRAL ASSESSMENT OF HIS TRIP, OPTIMISTIC OVERVIEW GIVEN BY WH STAFFERS IN WASHINGTON HAD IRKED CHINESE, WHO WERE DISSATISFIED W/RESULTS, BEFORE VANCE HAD EVEN RETURNED HOME.

MATHEWS NOTES FRIENDLY GESTURES ON BOTH SIDES HAD PRECEDED BRZEZINSKI TRIP: CHINESE NAMED NEW PRCLO HEAD/US CLOSED SOME LIBRARIES IN TAIWAN. CONCLUDES THAT DESPITE NCNA DESCRIPTION OF TALKS W/ZBIG AS "CANDID AND FRANK"--I.E. THAT THERE WERE DISAGREEMENTS/NO PROGRESS ON TAIWANDAY BEFORE BRZEZINSKI ARRIVAL, NCNA HAD CARRIED WARM REPORT OF PEKING REUNION BETWN CHINESE LEADERS/US ARMY OFFICERS WHO SERVED IN CHINA DURING WWII. NOTES STORY INCLUDED QUOTE FROM CCP LEADER YEH CHIEN-YING THAT "PEACEFUL/FRIENDLY COOPERATION BETWEEN CHINA/US...WILL BE FAVORABLE TO WORLD PEACE."

DON KIRK (LAT 5/21) SAYS WHILE CHINESE LEADERS MADE NO ATTEMPT HIDE THEIR DISAPPOINTMENT AT VANCE'S "CAUTIOUS APPROACH" TO SINO-US TIES, BY ALL INDICATIONS SAME WILL NOT BE SAID OF BRZEZINSKI. NOTES MANY POL ANALYSTS BELIEVE COMPROMISE POSSIBLE WHEREBY US COULD DROP "ABRASIVE CONDITION" THAT PEKING AGREE NOT ATTACK TAIWAN, BUT INSIST TAIPEI RETAIN RIGHT PURCHASE US ARMS; FOR ITS UNCLASSIFIED

#### UNCLASSIFIED

## PAGE 11 STATE 132051

PART, PRC COULD CHOOSE IGNORE ROC'S "CLIENT RELATIONSHIP" W/US. THINKS SUCH COMPROMISE SHOULD PLEASE BOTH SIDES. ADDS THAT HE GAINED IMPRESSION DURING PRC VISIT THAT CHINESE ARE MORE OPEN TO FON INFLUENCE/IDEAS THAN AT ANY OTHER TIME DURING NEARLY 29 PAST YRS.

SIX OF 10 CODEL MEM0ERS WHO VISITED PRC LAST JAN CALLED ON US TUES TO CUT FORMAL TIES W/ROC, EXTEND PEKING DIPLO RECOGNITION THIS YR. "JOINT ECONOMIC CMTE" ALSO URGED CARTER ADMIN RESERVE RIGHT, IN CASE OF THREAT FROM CHINA, TO TAKE MIL ACTION TO HELP TAIWAN. REPORT SAID DEL MAJORITY FEELS IMPORTANCE OF NORMALIZING W/PRC OVERRIDES ANY DETRIMENT THAT WOULD ARISE FROM ENDING DIPLO RELS W/TAIPEI/TERMINATION MUTUAL DEFENSE TREATY. CITING "CONSOLIDATION" OF NEW PEKING LEADERSHIP AND "APPARENT ENTRY...INTO A PRAGMATIC CYCLE," DEL MAJORITY, LED BY SEN CRANSTON (D-CALIF), WARNED OF "SUBSTANTIAL RISK OF INJURY TO THE NATIONAL INTEREST" IF US DOES NOT NORMALIZE W/PRC "AS EXPEDITIOUSLY AS POSSIBLE."

BUT, VOICING DISSENT OF 4 OTHER DEL MEMBERS, SEN LUGAR (R-IND) SAID WHILE NORMALIZATION W/PEKING DESIRABLE, HE

COULD NOT ACCEPT PRC'S 3 REQUIREMENTS, DOUBTED US PUBLIC FAVORS SUCH COURSE, AND FELT SENATE WILL NOT PROCEED ON MATTER DURING THIS YR. UPI OBSERVES THAT CODEL'S REPORTS EXPECTED RECEIVE MIXED REVIEWS IN CONGRESS. QUOTES REP DERWINSKI (R-ILL) THAT HE THOUGHT ISSUE OF BREAKING W/TAIPEI "WOULD BE IN DOUBT" IN HOUSE--"IT WOULD DEPEND ON HOW HARD" CARTER ADMIN "CRACKED THE WHIP." IN SENATE, GOLDWATER (R-ARIZ)/OTHER CONSERVATIVES WERE EXPECTED PROTEST. "I WOULD THINK THERE WOULD BE A GREAT OUTCRY," SAID GOLDWATER AIDE (WP).

CHITRIB EDIT MAINTAINS IT IS "MANIFESTLY SENSIBLE" THAT US SHOULD HAVE NORMAL DIPLO RELS W/WORLD'S MOST POPULOUS COUNTRY," BUT DECLARES "MERE ASSERTION THAT THERE IS ONLY UNCLASSIFIED

UNCLASSIFIED

PAGE 12 STATE 132051

ONE CHINA HAS BECOME AN EMBARRASSMENT UNDER TODAY'S CONDITIONS." ARGUES THAT 16 MIL NATIVE TAIWANESE HAVE NO DESIRE BE "LIBERATED" BY PEKING/ROC HAS BEEN SLOWLY OPENING ITSELF UP TO THEIR PARTICIPATION/CCK PROMISES MORE OF SAME. HOLDS THAT WHILE US MAY BE ABLE REDUCE/QUALIFY ITS COMMITMENT TO TAIPEI, IT "CANNOT CONSCIENTIOUSLY"

BE PARTY TO TURNING 18 MIL PEOPLE OVER TO "COMMUNIST REGIME AGAINST THEIR ALMOST UNANIMOUS WILL," NOR CAN IT SUDDENLY TAKE POSITION THAT COUNTRY WE NOW RECOGNIZE/DO GREAT DEAL OF BUSINESS WITH IS REALLY PROVINCE OF ANOTHER COUNTRY.

CHITRIB PREDICTS NORMALIZATION W/PRC WILL BE LONG TIME COMING IF IT MEANS SACRIFICING TAIWAN. INSISTS "THERE ARE IN FACT 2 CHINAS," AND ANY ARGUMENT TO CONTRARY IS ONLY "EXERCISE IN SEMANTICS."

LA EDUCATOR PW CHENG HAILS PRC REJECTION OF EDUCATIONAL REFORMS OF GPCR, ITS DECISION GIVE EFFICIENCY/MERITOCRACY CHANCE. SAYS APPARENTLY NEW REGIME HAS DECIDED THAT, WHATEVER RISKS POSED BY THESE "BOURGEOIS" VALUES, PROSPECT OF MAKING PRC MODERN NATION AT LAST IS WORTH IDEOLOGICAL GAMBLE (LAT 5/21).

CHITRIB EDIT PAGE EDITOR MCCUTCHEON HOLDS THAT PEKING'S READING OF ITS COMPATRIOTS' FEELINGS ON TAIWAN IS BADLY IN ERROR. AND IF CCK CAN DEVELOP TRULY DEMOCRATIC MULTIPARTY SYSTEM, PRC'S ARGUMENT/APPEAL TO TAIWANESE WILL BE DISCREDITED EVEN FURTHER. CHRISTOPHER

UNCLASSIFIED

NNN

# Message Attributes

Automatic Decaptioning: X Capture Date: 01 jan 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED Concepts: PRESS SUMMARIES

Control Number: n/a Copy: SINGLE Draft Date: 24 may 1978 Decaption Date: 01 jan 1960 Decaption Note:

Disposition Action: n/a Disposition Approved on Date: Disposition Case Number: n/a Disposition Comment: Disposition Date: 01 jan 1960 Disposition Event: Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE132051
Document Source: COP

**Document Unique ID: 00** Drafter: STAFF:VDC Enclosure: n/a Executive Order: N/A

Errors: N/A **Expiration:** 

Film Number: D780219-0683

Format: TEL From: STATE

Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1978/newtext/t19780523/aaaaatas.tel

Line Count: 490 Litigation Code IDs: Litigation Codes:

Litigation Codes. Litigation History: Locator: TEXT ON-LINE, ON MICROFILM Message ID: ff124597-c288-dd11-92da-001cc4696bcc Office: ORIGIN EA

Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 9
Previous Channel Indicators: n/a Previous Classification: n/a
Previous Handling Restrictions: n/a

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 29 mar 2005 Review Event: Review Exemptions: n/a **Review Media Identifier:** Review Release Date: N/A

Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 2584121 Secure: OPEN Status: NATIVE

Subject: MAY 24 EA PRESS SUMMARY TAGS: SOPN, XC, US
To: EA POSTS MOSCOW MULTIPLE

Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS\_Docs/ff124597-c288-dd11-92da-001cc4696bcc

Review Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014